

**From:** David Strom  
**To:** 'Microsoft.atr(a)usdoj.gov'  
**Date:** 1/23/02 4:45pm  
**Subject:** microsoft settlement

January 23, 2002

Renata B. Hesse  
Antitrust Division  
U.S. Department of Justice  
601 D Street NW  
Suite 1200  
Washington, DC 20530-0001

Dear Ms. Hesse:

I am writing on behalf of the over ten thousand Minnesotans who are involved in the Taxpayers League of Minnesota to express our opinion on the Department of Justice's proposed settlement with Microsoft.

The Taxpayers League of Minnesota has always held the position that pursuing the antitrust case against Microsoft was not in the public interest. Our position has been based on the judgment that the harms to consumers claimed were wholly speculative, while the harm to Microsoft, its shareholders, and the overall economy of pursuing the case are actual and clearly visible. It is our belief that antitrust cases should not be pursued simply to protect competitors in a marketplace, but solely to protect consumers from harm.

We believe that it is in the interests of taxpayers, consumers, stockholders, and Americans interested in the long-term health and vigor of the economy to settle the Microsoft case as quickly as possible. Regardless of the original merits of the antitrust case against Microsoft, it is now clear that continuing to pursue this case will serve no useful purpose.

There can be no doubt that the economy functions best when the marketplace,

not policymakers, dictates outcomes. We strongly believe that while it is in the public's interest to ensure a competitive marketplace, in practical terms the monopolies that are most destructive are usually created by government, rather than those regulated out of existence. Microsoft's dominance in one or two segments of the software market has been created not despite, but rather because of a strongly competitive marketplace that has served consumers well. It is a serious mistake to use the coercive powers of government to punish businesses for their success within the marketplace.

The overwhelming preponderance of the evidence suggests that consumers have benefited substantially from Microsoft's competitive business practices. Software is far more flexible and reliable every year, and consumer choice has expanded exponentially due to the ubiquity of home computing and access to the Internet-developments which could not have occurred without Microsoft's relentless innovation and competition in the marketplace.

By almost any reasonable measure, the value delivered to consumers by the computer industry has skyrocketed over the past 20 years-leading to one of the fastest rates of adoption of any new technology in history. It is simply absurd to suggest that the dominance of Microsoft in the personal operating systems market has hurt consumers, when the evidence to the contrary is overwhelming. It would be difficult to argue that the expansion of the internet or home computing could have occurred as quickly as they did without the innovations pushed by Microsoft-including the integration of tcp/ip and Internet browsing capability into the operating system.

The assertion that Microsoft is a destructive monopoly is, in our judgment, rather arbitrary and capricious. Microsoft is clearly not a monopoly in the software business in general. It is not even the dominant player in the operating system market in general-in fact, flavors of UNIX still dominates the server market. In fact, Microsoft's dominance in operating systems is confined to the home computing market, and even there it is confronted with strong competition from Apple Computer's Mac OS X, and the freely distributed Linux operating system.

It is clearly in the nation's interest to resolve this case as quickly as possible. As long as there is substantial uncertainty in the software marketplace, competition and innovation will be inhibited, and the incentive to invest will be reduced. At a time of increased economic uncertainty and reduced business investment, it is vital to remove this drag on the American economy.

Thank you for the opportunity to comment on this matter,

Linda Runbeck,

President,

Taxpayers League of Minnesota.